



# Busting the Habit of Wasteful Government Spending



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Some examples reflecting the persistence of wasteful government spending:

- < **Home Improvement** – A sum of \$14,000 was set aside to convert the charcoal grill at the Air Force Academy’s Otis House to natural gas, according to the Air Force Auditing Agency. Another \$40,000 was designated for moving a bathroom wall at the house – the residence for the Commandant of Cadets – so that an adjoining bedroom’s interior could be widened by 1 foot. In both cases, funding came from the Air Force’s operations and maintenance account, which supports troop readiness. (Report on the Air Force Academy General Officer Quarters, by the Air Force Auditing Agency, 26 October 1999.)
- < **Strategic Computer Initiative** – To replace testing of nuclear weapons, the Department of Energy [DOE] is spending large sums on a massive computer simulation program known as the Strategic Computer Initiative [SCI]. It was started in 1995 and projected to cost \$1.7 billion in its first 5 years. But the General Accounting Office [GAO] noted recently that, in 1999, when DOE reevaluated its completion date for the 5-year period, the total projected cost had grown to \$5.7 billion – which GAO blamed partly on “weak management.” (The General Accounting Office report, *DOE Needs to Improve Oversight of the \$5 Billion Strategic Computing Initiative*, June 1999.)
- < **Welfare-to-Work Contract Given to Incompetent Crony** – The District of Columbia awarded a \$6.6-million contract to a company with no experience in the field of job placement – but was owned by a personal friend of the city official awarding the contracts. The contract called for the company to find jobs for 1,500 welfare recipients. But after spending \$1 million in Federal grant money over 9 months, the company had placed only 30 recipients in jobs. The city subsequently terminated the contractor, who then filed a lawsuit against the city alleging breach of contract. (“Disputes Snarl D.C. Welfare Plan,” *The Washington Post*, 11 August 1999.)
- < **Who Knows Where the Money Goes?** – The Employment and Training Administration [ETA] receives about \$9 billion a year, more than three-fourths of the total discretionary Labor Department funds. But when asked by the Education and the Workforce Committee’s American Worker Project for an accounting of ETA grants and contracts awarded with the funds, the agency said the information was not available in a “single volume” or “in detail.” In addition, the Department said producing the data on a fiscal year basis was too time consuming, cumbersome, and difficult. (*The American Worker Project: Securing the Future of America’s Working Families*, by the House Committee on Education and the Workforce, August 1999.)

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- < **Cashing In On Thy Neighbor's Demise** – A Federal retiree living in Greenbelt, MD died in 1994. But the death was not reported to the Office of Personnel Management [OPM], and the retiree's neighbor forged the signature of the deceased on checks sent to the retiree's home, fraudulently obtaining \$74,700 in Civil Service Retirement System benefits before being caught based on an anonymous tip, according to OPM's Inspector General. (Semiannual Report of the Inspector General, Office of Personnel Management, March 1999.)
  - < **Footing the Bill** – A Michigan podiatrist billed Medicare for incision and drainage of wounds and abscesses when he only performed routine nail care that was not covered by Medicare, according to the Inspector General for the Department of Health and Human Services. The doctor also prescribed Tylenol #3 to patients, although some of them had not even removed their shoes for examination. (Semiannual Report of the Inspector General, Department of Health and Human Services, March 1999.)
  - < **\$60 Million for Golf, Windsurfing, and Suntans** – The Overseas Private Investment Corporation [OPIC] provided a \$60-million loan to Rose Hall Resort Limited to build a hotel and beach resort near Montego Bay, Jamaica, says OPIC's 1998 annual report. According to the Planning Institute of Jamaica, in 1994 Jamaica already had 25 resort hotels with 4,600 rooms; and in 1998 alone, the private sector invested about \$7.6 billion in the construction of 10 new hotels and the expansion of eight existing hotels. (OPIC 1998 Annual Report, and Jamaica Sustainable Development Networking Programme website.)
  - < **\$4 Million for Luxury African Safaris** – OPIC's 1998 annual report also notes the agency provided a \$4-million loan to Orient-Express Hotels Inc., for camping and lodging facilities in Botswana. Orient-Express Hotels (under the name "Gametrackers") currently operates three safari camps in Botswana equipped with "twin-bedded luxury tents with en-suite facilities and air-conditioning . . . Fully stocked bar, laundry service, curio shop, VHS and monitor, book and video library, 32-volt battery lighting system, swimming pool" – and charges a minimum daily rate of \$315 to \$400, depending on season. (OPIC's 1998 Annual Report, "Gametrackers" website.)